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ABSTRACT

This report describes the results of an institutional analysis that examined the effects of the CEO Horizon Scholarship Program on schools in San Antonio, Texas. The scholarship program offered virtually all families in the school district a scholarship to send their children to the school of their choice, both public and private. The analysis is based on information from focus groups conducted with parents of children in public and private schools, and from interviews with individuals knowledgeable about the school system. Some of the key findings indicate that parents with children in private schools generally believe that these schools are more responsive and committed than the public schools. Parents in both public and private schools were not satisfied with the values taught in public schools, with parent being concerned about peer pressure in the pubic schools and its negative effects on academic achievement. As regards the voucher program, the effects of the CEO Horizon Program on education practices and student achievement in public school were negligible. A comparison of test-score gains between the district and other districts that did not host a voucher program suggests that the program had no significant effect on test scores in the first year of operation. (RJM)

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The CEO Horizon Scholarship Program: A Case Study of School Vouchers in the Edgewood Independent School District, San Antonio, Texas

Final Report

May 23, 2001

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The CEO Horizon Scholarship Program: A Case Study of School Vouchers in the Edgewood Independent School District, San Antonio, Texas

Final Report

May 23, 2001

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EXECUTIVE SUMMARY

Over the past few years, Congress and many state legislatures have introduced school voucher proposals. Although the theory behind the role of vouchers in school reform anticipates the effects of vouchers on students, parents, and schools, most studies have focused only on the effects of vouchers on students and parents. In part, this thinking reflects the small scale of most voucher programs. The CEO Horizon Scholarship Program, sponsored by the Children First America Foundation and Dr. James Leininger, provides a unique opportunity to study the effects of vouchers at the school system level, because the program offers scholarships, or private vouchers, to virtually all families in the Edgewood Independent School District in San Antonio, Texas.

In 1998, with funding from the David and Lucile Packard Foundation, Mathematica Policy Research along with researchers from Harvard University and the University of Texas at Austin began an evaluation of the CEO Horizon Scholarship Program. This report describes the results of an institutional analysis that looked at the effects of the program on the schools and school system in Edgewood. The analysis is based on information from focus groups conducted with parents of children in public and private schools, and from interviews with individuals knowledgeable about the school system. A companion report, documenting findings from a survey of parents with children attending public and private schools in Edgewood and test results for students, was released in 1999. [1]

Some of the key findings from this study include:

- Parents with children in the private schools generally believe that these schools are more responsive and committed than the public schools. Parents were more inclined to complain about little or no communication, rather than about negative communication, from the public schools.

- Parents' reports about public and private schools meeting the requirements of students with special needs were mixed. Some parents reported that they had expected the private schools to have better specialized services for education. Other parents, told us that students that public schools had identified as having special needs were now excelling in regular classrooms in private schools.

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[1]The previous report showed that a wide variety of students and families took advantage of the scholarships. It noted that the scholarship students and families resembled public school students in some respects but differed modestly in others. For example, scholarship students had similar math test scores and somewhat higher reading test scores than students in public schools; scholarship students were less likely to have learning disabilities than students in public schools; and the incomes levels of the scholarship and public school students were nearly the same. See Peterson, Paul E., David E. Myers, and William G. Howell, "An Evaluation of the Horizon Scholarship Program in the Edgewood Independent School District, San Antonio, Texas: The First Year."

- Parents of children in both public and private schools are not particularly satisfied with the values taught in public schools. For some parents, the religious instruction in private schools fills the values gap left by public schools.

- Parents of children in public and private schools are concerned about peer pressure in the public schools and believe it is not conducive to academic achievement. Parents also expressed fears about the violence they perceived in the Edgewood public schools.

- Parents' had mixed assessments of the amount of disruption caused by the transition from a public school to a private school. For some children, the transition was smooth; for others, it was difficult. Many parents noted that private schools offered tutoring and other special assistance to ease the transition. Some evidence points to the transition being more difficult for older students.

- The effects of the CEO Horizon scholarship program on education practices and student achievement in the public schools were negligible. After the first year of the program, there is little evidence that Edgewood made significant changes in broad education practices, school policy, or operations.

- Test score gains observed in Edgewood were matched by gains in other nearby school districts not hosting a voucher program. This pattern suggests that the CEO Horizon program had no significant effect on test scores in the first year of operation.

- The limited effect of the CEO Horizon program on the Edgewood school district may be attributable to several factors. First, during the period studied, the program had only been in place for one year. Second, the Edgewood school district had financial reserves that delayed the immediate financial impact of losing students to other schools. Finally, the district's political dynamics appeared to offer few political incentives to change and to fragment leadership.

Over the past few years, Congress and many state legislatures have introduced school voucher proposals. In addition, three publicly funded programs are currently operating in Milwaukee, Cleveland, and Florida. A large number of voucher programs (80) have been privately funded as well—in New York City; Washington, D.C.; Dayton, Ohio; San Antonio, Texas; Indianapolis, Indiana; and San Francisco, California—and there is one privately funded nationwide program. Although the theory behind the role of vouchers in school reform anticipates the effects of vouchers on students, parents, and schools, most studies of vouchers have focused on the effects of vouchers only on students and their parents. In part, this reflects the scale of most voucher programs, which is typically small.[1] In small-scale programs, one would not expect to see systemic change at the school level brought about by the threat of potentially losing students to competing schools. In large-scale voucher programs, however, where all children in a school district or school are eligible for a voucher, one might reasonably expect to see evidence for the effects of vouchers on schools. The CEO Horizon Scholarship Program, sponsored by the Children First America Foundation and Dr. James Leininger, a resident of San Antonio, provides a unique opportunity to study the effects of vouchers at the school level because the program offers scholarships, or private vouchers, to virtually all families in the Edgewood Independent School District in San Antonio.

A. STUDY PURPOSE AND BACKGROUND

In 1998, with funding from the David and Lucile Packard Foundation, Mathematica Policy Research along with researchers from Harvard University and the University of Texas at Austin began an evaluation of the CEO Horizon Scholarship Program. The evaluation plan called for a

[1]Exceptions include the publicly funded voucher programs in Milwaukee, Cleveland, and Florida, and the privately funded program in San Antonio, Texas.

two-pronged approach to learning about the effects of vouchers on schools, students, and parents. The first prong involved a longitudinal analysis in which the study team planned to compare the school experiences and test scores of students in Edgewood with the school experiences and test scores of similar students in three comparison school districts in Texas. The second prong of the evaluation called for an institutional analysis in which the experiences of the schools in the districts would be compared.

During the first year of the evaluation, Mathematica collected baseline data through a parent and a student survey, and by giving students the Iowa Test of Basic Skills to measure their educational achievement. We selected parents and students by identifying a representative sample of households with children in each of the districts, and they were invited to the data collection sessions, where the parents completed survey forms and the children took the test.[2]

Mathematica also initiated the institutional study during the first year of the evaluation. Unfortunately, the evaluation was challenged by the public schools in the four communities, and Mathematica and its study team were denied access to the schools and their staff. We therefore limited the institutional analysis to Edgewood. Furthermore, unable to interview school staff or observe school operations, the study team had to rely on information provided by informed sources outside of the school system and on administrative records obtained under the Freedom of Information Act.

Given the lack of access to the public schools, and the difficulty and expense of collecting parent and student data, Mathematica and the study team met after completing the first round of data collection to consider next steps. The decision was made to recommend to the funder of the

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[2]For a detailed description of this phase of the study, see Peterson, Paul E., David E. Myers, and William G. Howell, "An Evaluation of the Horizon Scholarship Program in the Edgewood Independent School District, San Antonio, Texas: The First Year." http://www.data.fas.harvard.edu/pepg/

evaluation that the study not be continued. This report documents what was learned through May 2000 from the institutional analysis under the constraints imposed on the evaluation by the public schools. We describe the CEO Horizon Scholarship Program and discuss its effects on the following aspects of the Edgewood school system: parent satisfaction with the public and private schools attended by their children, education practices and student achievement, and school district policy and operations. We also offer explanations for why the effects on systemic change in the Edgewood public schools may have been weaker than what proponents of vouchers may have hoped for.

B. PROGRAM DESCRIPTION

The CEO Horizon Scholarship Program began offering virtually all families in Edgewood a scholarship to send their children to the school of their choice beginning in the 1998-99 academic year. To ensure continuity in education, the Children First America Foundation and Dr. James Leininger have pledged to support the program for 10 years, at a commitment of up to $50 million for scholarships. Parents may use the scholarships to send their children to private schools within the district, private schools outside the district, or to public schools outside the district if those schools will accept the students.[3] More than 550 students, or nearly 4 percent of the students in Edgewood public schools, accepted a scholarship offer during the first year of the program. In this section, we describe the community and the students served by the program; the scholarship eligibility criteria, structure, and take-up rates; and the private schools in which the scholarship students have enrolled.

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[3]The scholarship amount for out-of-district schools is limited to the tuition charged by out-of-district schools, which is capped by the limits imposed on the amount of the scholarship. Within-district schools are allowed to keep whatever difference exists between the cost of tuition and the amount of the scholarship; CEO used this approach to encourage within-district schools to increase their capacity to enroll more students.

1. Target Population

The CEO Horizon Scholarship Program is available to all children in the Edgewood school district, a poor, predominantly Latino community on the west side of San Antonio. According to the 1990 census, Edgewood's total population is 62,720; 92 percent of the people are Latino, and 39 percent have an income below the poverty line.[4] This poverty rate is more than double the rate for Texas (18 percent) and more than triple the national rate (13 percent). Per capita income in Edgewood in 1990 was $5,260, compared with $12,904 for Texas and $14,420 for the United States. Ninety-six percent of the approximately 14,000 students in Edgewood are Latino, and 90 percent are considered "economically disadvantaged" by the state.[5]

More than three-fifths of all occupied homes in Edgewood are owner-occupied, which is approximately the same as the average for Texas and for the nation as a whole.[6] These homes are also small and of modest value. The median value of a home in Edgewood in 1990 was $31,976, compared with $58,941 for Texas and $78,500 for the United States.

Educational attainment for adults in Edgewood is relatively low. More than half (58 percent) of adults over age 20 in Edgewood have not completed high school, compared with 25 percent in Texas and 24 percent in the United States overall.[7]

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[4]http://govinfo.library.orst.edu/cgi-in/sddlist?state=tx&report=default&d1=Edgewood+ISD--ZIP+78237&c1=

[5]http://www.tea.state.tx.us/cgi/broker?_service=hogg&_program=teasampl.dist98.sas&distback=015905+

[6]http://govinfo.library.orst.edu/cgi-bin/sddb-list?state=tx&d1=Edgewood+ISD--ZIP+78237&c1=&report=default&s2=&d2=&c2=&s3=&d3=&c3=&table=Top+100+--+General+Characteristics+Profile+-+DETAILED

[7]http://govinfo.library.orst.edu/cgi-bin/sddb-list?state=tx&d1=Edgewood+ISD--ZIP+78237&c1=&report=default&s2=&d2=&c2=&s3=&d3=&c3=&table=Top+100+--+General+Characteristics+Profile+-+DETAILED

The student population in Edgewood has been shrinking since the latter part of the last decade even as the population in San Antonio and in Texas has been growing. For the five years ending in 1997-98, the student population in Edgewood dropped by 4 percent,[8] while the student populations in the San Antonio area and in Texas overall grew by 8 and 10 percent, respectively.[9] During the 1997-98 school year, the year before the CEO Horizon program was introduced, Edgewood had 14,142 students. In 1990, there were 14,508 students in the district, which represented 94 percent of all children enrolled in school and residing in the district. The remaining 6 percent of enrolled children attended private schools.[10]

2. Scholarship Eligibility and Structure

Families are eligible for a scholarship if they live in the Edgewood school district, if they have children entering grades pre-K through 12 (pre-K was added in the 1999-2000 academic year), and if they qualify for free or reduced-price school lunches. On the basis of this income standard alone, more than 90 percent of residents had incomes that made them eligible for the program in 1998.

The scholarships pay for the full cost of tuition at private schools in Edgewood up to a maximum of $3,600 for grades pre-K through 8 and $4,000 for grades 9 through 12 ($4,800 effective in fall 2001). Scholarships up to a maximum of $2,000 for grades pre-K through 8 and

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[8]http://www.tea.state.tx.us/cgi/broker?_service=hogg&_program=melinda.snap98ds.sas&distback=015905+

[9]http://www.tea.state.tx.us/cgi/broker?_service=hogg&_program=melinda.snap98rg.sas&search=020;http://www.tea.state.tx.us/cgi/broker?_service=hogg&_program=melinda.snap98ds.sas&distback=015905+

[10]http://govinfolibrary. orst.edu/cgi-bin/sddb-list?state=tx&report=default&d1=Edgewood+ISD--ZIP+78237&c1=

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$3,500 for grades 9 through 12 can be used toward tuition at public or private schools outside of Edgewood.

The CEO Horizon program was launched in addition to a more limited scholarship program that has been in place throughout San Antonio since 1992. Because of the controversy surrounding the use of educational vouchers, CEO Horizon decided not to renew its requests for funding, which would have been due in January 1998, from some of its donors—the *San Antonio Express-News* and the USAA Insurance Company, in particular. This did not, however, affect the funds needed to support CEO Horizon for 10 years.

3. Scholarship Take-Up Rates

All 14,142 children in the Edgewood school district were offered a scholarship, and 847 of them took advantage of the offer. According to the CEO Horizon administrators, the most common reasons for not using the scholarship award among those who initially applied for and received one were lack of space in the school that students wanted to attend, the inability of families to pay school fees or uniform costs not covered by the scholarship, and transportation difficulties.[11]

Most students who used a scholarship were attending public schools. Of the 847 students who did use a scholarship, 566, or 4 percent of Edgewood's enrollment, attended Edgewood public schools before the program began. Another 116 were kindergarten students enrolling in school for the first time, some of whom might have attended private school regardless of the scholarship. Fifty scholarship recipients were enrolled in private school before the program

[11]CEO America Foundation, "A Report on the First Semester of the HORIZON Voucher Program," January 1999, p. 9.

began.[12] More than 100 of the 847 students who used their scholarship in 1998 had lied in the past about their address to gain access to nearby public school districts outside of Edgewood. By the end of the first semester, 49 students had dropped their scholarship. Their reasons for doing so, according to the Children First America Foundation, varied from not being able to afford the school fees, to difficulty keeping up academically, to problems at home. Only one student was reported to have been dismissed for behavior or academic reasons.[13] CEO officials report that this student returned to his Edgewood school, from which he was subsequently expelled.

4. Participating Schools

Scholarship students enrolled in 56 private schools and one public school. The largest group of students (53 percent) enrolled in Catholic schools. The next largest group (38 percent) enrolled in non-denominational Christian schools. The remaining students attended Baptist or Lutheran schools, secular private schools, or the one public school. Here we describe two schools in particular—St. John Berchmans and Holy Cross High School—along with the non-denominational Christian schools because they account for the largest share of all scholarship students.

St. John Berchmans, a Catholic elementary and middle school in Edgewood, has 120 CEO Horizon students, the largest number of all the participating schools. There are total of 430 students (including the scholarship students) in grades K through 8 spread across 18

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[12]The program stipulated that up to one scholarship could be awarded to a child already enrolled in private school for every 15 scholarships awarded to children not already enrolled in private school.

[13]CEO America Foundation, "A Report on the First Semester of the HORIZON Voucher Program," January 1999, p. 9.

classrooms.[14] Twenty-two teachers assisted by four aides teach regular academic classes. There is also an art teacher, a coach, one librarian who also teaches music, and two resource teachers who provide individual tutoring and instruction. The non-teaching staff consists of a principal, four kitchen workers, three janitors, one secretary, one bookkeeper, and a nurse.

The ratio of students to all staff persons and to non-teaching staff is higher in St. John Berchmans than in either Edgewood or Texas overall. With a total staff of 42, St. John Berchmans has 10.2 students per staff person, compared with 6.4 students per staff person in the Edgewood public schools and 7.9 students per staff person in Texas public schools overall. The ratio of students to non-teaching staff in St. John Berchmans is 39.1, compared with 11.4 for Edgewood public schools and 16.4 for the state. That ratio excludes the central administration staff in the archdiocese office, where 10 full-time people handle all administrative details for 49 Catholic schools in the area.[15]

The student-to-teacher ratio at St. John Berchmans is lower than that in the Edgewood public schools even though, like most of the other private schools in the program, it operates with far fewer staff than do the public schools. According to the state of Texas, Edgewood has 14.5 students per teacher, while St. John Berchmans has 13.9 students per teacher. The average ratio in Texas is 15.2.[16]

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[14]All data regarding St. John Berchmans were obtained from visits to the school and discussions with the principal, Deborah Goering.

[15]Obtained from a visit to the San Antonio archdiocese office and from an interview with Superintendent Dale Hoyt.

[16]http://www.tea.state.tx.us/cgi/sas8/broker?_service=alamo&_program=perfrept.perfmast.sas&prgopt=1999/aeis/district.sas&year4=1999&search=distback&year2=99&topic=aeis&gifname=g_aeis99district&title=AEIS+Report&level=District&distback=015905

St. John Berchmans has achieved this lower ratio despite the fact that, compared with Edgewood public schools, its revenue per student is lower. Tuition is set at $1,500 with an additional $250 for registration and books. The parish donates about $30,000 per year, amounting to less than $100 per pupil. Mandatory fundraisers bring in another few hundred dollars per student. Total revenue for St. John Berchmans is a little more than $2,000 per pupil. The Edgewood public schools receive $6,188 per pupil.

Costs are much lower at St. John Berchmans for two main reasons. First, the school does not offer some of the services offered by the public schools. For example, there is no transportation nor does the school enroll the most severely disabled children. Second, St. John Berchmans pays its teachers about half of what public school teachers receive in compensation, including benefits. According to the principal, this kind of salary typically attracts young Catholic women who have recently graduated from college and who do not have a family to support. But these teachers tend to leave for higher-paying jobs in the public schools when they get married and start a family. Some teachers have been with the school for a long time, but many of them have a spouse with higher earnings; we were told that the others are just particularly dedicated. If one were to adjusted for the lower level of services offered and the unofficial "subsidy" from spouses, cost per pupil at St. John Berchmans is probably closer to $4,000 than $2,000. Even so, costs at the school are lower than costs in the Edgewood public schools largely because St. John Berchmans hires far fewer non-teaching staff. From our interviews and data collection, it is not clear whether there is a direct relationship between the number of services offered by the private schools and hiring practices concerning non-teaching staff.

Because St. John Berchmans is located in the Edgewood school district, families choosing to send a child there received a scholarship for $3,600 even though that amount is higher than

tuition. The resulting windfall has been an incentive for the school to accept as many students as possible, and as a result, the school has been able to expand its infrastructure and services in some areas. For instance, the school bought new books for the library and a large supply of new computers. It also hired two resource teachers to tutor and otherwise help scholarship students catch up to the other students. (This need for extra help is greater with the older students.)

St. John Berchmans requires all applicants to take a placement test to assess their academic strengths and weaknesses. The test is not used as an entrance exam. Of all scholarship students who applied to St. John Berchmans in the first program year, five had severe physical and psychological disabilities that the school did not believe it could properly address. It referred these students to a nearby Catholic elementary school, St. Martin Hall, which, because of its affiliation with a university, has facilities and staff who can more appropriately address special needs. During the academic year, three scholarship students left St. John Berchmans: one who has a severe psychological disorder returned to the public schools, as did one who had transportation difficulties; the third student, who has special needs, transferred to St. Martin Hall. No students were expelled or asked not to return.

According to the principal, students are in no way identified as having a scholarship and cannot be distinguished from other students. All of the students wear uniforms. Virtually all are Latino and come from similar homes in the same area. The scholarship students are significantly more likely to require tutoring, but other than that, the principal observed relatively few transition difficulties. Overall, she expressed great satisfaction with the scholarship program and is grateful both for the additional resources it brings to her school and for the opportunities it gives the families of scholarship students.

The assessment of the scholarship program from the principal of Holy Cross High School is also positive, but he has observed more serious transition-related difficulties. Holy Cross, with

37 scholarship students, has the highest number of high school students in the program. Located in the Edgewood school district, it serves boys in grades 7 through 12. Six of the 37 scholarship students left during the first program year because of difficulties meeting the school's expectations for behavior and academic work.

Holy Cross has 547 students and 43 teachers, six of whom are members of the clergy. The school also has 1.5 secretaries, 1 librarian, 2 janitors, 2 maintenance workers, 4 cafeteria staff, and 1 aide, bringing total staff to 54.5. There are 10 students per staff member, 47.6 students per each non-teaching staff person, and 12.7 students per teacher; all ratios are better than those in the Edgewood public schools.

The school charges between $3,300 and $4,000 for tuition, depending on grade. Students who perform well academically are offered a merit scholarship. Over 80 percent of the students who graduate from Holy Cross go on to college, a markedly higher proportion than in the Edgewood public schools.

Because of its reputation for high standards and student success, Holy Cross draws students from all over San Antonio. Its student population is therefore not as predominantly Latino as the population in the surrounding neighborhood or in the Edgewood high schools. The school's standards may also have influenced the extent to which it sought to accommodate scholarship students, who may not have been academically prepared.

Non-denominational Christian schools enrolled the next largest group of students in 1998. Several of these schools are "store-front" schools that either started with the scholarship program or expanded rapidly as a result of the scholarship offer. These schools took on students when the Catholic schools became full, so they had a disproportionate number of late-comers and difficult-to-educate students. The El Shadai New Hope Christian Academy is one of the new schools. It started with only four students and four teachers in a strip-mall store-front and none of the

teachers appears to have a bachelor's degree. Another new school, the Family Faith Academy, has nine students and is located in a former bar. The Sendero Christian Academy, also new, appears to have better facilities than the other new schools.Most of the non-denominational Christian schools do not have a "professional" feeling. Not all teachers are certified, nor are the facilities "high-tech," but the schools are small and intimate. Staff, parents, and students share a sense of purpose, which, in their minds, overrides the need for a more attractive building. These schools are also deliberately using traditional education practices.

C. PROGRAM EFFECTS

Other than the largely positive response from parents of children in the scholarship program, the effects of the program on the other aspects of the Edgewood school system that we examined were modest at best. The district made no broad changes in curriculum or teaching practices, but student achievement increased. It may be possible that this gain was brought about by changes made by individual teachers in response to the scholarship program. But it is more likely that the increase was related to changes in teaching practices in response to state pressure to raise test scores.

Edgewood made minor changes in school policy. Some appear to be related to the scholarship program, while others may simply have coincided with it. In addition, the changes that were made do not necessarily resemble the kinds of improvements we might expect to see in response to a voucher program. For instance, Edgewood's decision to accept students from other school districts appears to be related to the program but it is not clear that Edgewood did anything other than to open its doors to these students. That is, there is no evidence that the school district made improvements to draw in other students. Other changes, like the decision to require uniforms for elementary school students, may simply have coincided with the program in that another nearby school district adopted a uniforms policy around the same time in the

absence of a voucher program. Still other changes, like the decision to hire a management consulting firm to review school operations, may have been motivated by local factors other than the scholarship program.

Had we been allowed access to the schools, this picture of program effects would probably have been clearer and perhaps fuller as well. Below we describe the effects we did observe given the constraints under which we conducted the analysis.

1. Effects on Parent Satisfaction

For the institutional analysis, we assessed the effects of the scholarship program on parent satisfaction by conducting focus groups with more than 50 parents whose children attend private schools on a scholarship or public schools in the Edgewood, Harlandale, and South San Antonio school districts. The focus groups for parents were conducted while the children took standardized tests as part of the first prong of this evaluation, the longitudinal analysis.[17] Because these testing sessions involved a representative sample of households with school age children in the three school districts and a random sample of scholarship recipients, the focus groups were a fairly representative cross-section of the population who attended the testing sessions. We talked with parents about the following seven topics: school safety and discipline; school responsiveness, commitment, and communication; attention to special needs; the Texas Assessment of Academic Skills (TAAS) test; values taught in schools; transition issues (parents of scholarship students only); and overall satisfaction with schools.

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[17]Peterson, Paul E., David Myers, and William G. Howell, "An Evaluation of the Horizon Scholarship Program in the Edgewood Independent School District, San Antonio, Texas: The First Year." http://www.data.fas.harvard.edu/pepg/

a. Safety and Discipline

Parents of students in public and private schools suggested that the lack of safety and discipline in the public schools is one of their most pressing concerns. Many parents told us that as students get older, the more aggressive children begin to bully not only other children but also teachers. Through peer pressure and intimidation, the aggressive students dominate the classrooms, creating a culture in which fashion and bravado prevail over good behavior and academic success. Students interested in learning and in playing by the rules are pressured to do poorly and to misbehave in order to fit in. One mother with children in the South San Antonio public schools described her children's schools like this:

> "The teachers are afraid for their lives. The kids have come home and told me that they're in the room and of course you've got bullies everywhere and they'll be taunting the teachers. And they'll be right in their face. And basically the teachers have their hands tied. I remember when I went to school, I didn't dare even look at the teacher cross-ways....You'd get into trouble. You'd be disciplined. That nowadays if they try to discipline them, right away people start yelling lawsuits....One of the teachers that taught all three of my kids, she's tough. But she says it's hard. She says she's been cut once. She's been pushed several times. There's been times when she goes to her car and they're standing up against her car, you know, just like threatening her."

In the words of one father who took his son out of the Edgewood public schools:

> "It was one of the main reasons we chose to stick my oldest in the private school. Because once you get into junior high and high school the kids are bad. It's either you join [the gangs] or you don't. Or you get beat up either way."

This intimidation often turns "good kids" into "bad kids." In the words of one mother whose child used his scholarship to leave public school in Edgewood:

> "My son, he never wanted to be left behind. Those kids are bad and he wants to try better. He wants to do better and be a good kid. They're gonna talk about him like, 'ah, you're all into school.' Calling him names—yeah, nerd—and calling him names, so he always wanted to be with the bad side. And that's not how it works. If you try...some kids are trying their best...and trying to be good...if the other students don't want to learn, just leave them alone."

In contrast, parents with children in the scholarship program told us that the teachers remain in charge, fostering a culture in which learning and success are valued, and in which a healthy level of discipline is maintained. One of the main benefits of the scholarship program, according to many parents, is that their children can attend schools where they are "allowed" and even encouraged to learn by the other students. A chorus of agreement rose up in response to the following statement made by one mother of a scholarship student:

> "I don't think [the better discipline at the private school is] so much the teachers. I think it's the fact that the children aren't under the peer pressure to act out so that they won't get picked on."

Another mother whose son attends private school through a CEO Horizon scholarship talked about constructive peer pressure in terms of what her son said about other students' performance:

> " 'He's making an 80 or 90 when I only made a 70....I know I need to study more so I can beat them next time.' That's the kind of pressure that they have. But as far as having pressure that you're wearing clothes from such and such store...that's the pressure that they were getting [in public school]. Over here they don't get that. Everybody wears the same dress code, which is good, which is another thing kids do not get picked on, what clothes they wear."

Parents of children in the scholarship program are also satisfied with the ability of private school teachers to maintain discipline in the classroom. One mother said the following about her daughter's experience:

> "I believe you go to school to learn, not to have the kids acting silly, jumping around in class, you know, if teachers are in charge not the children. And I had a problem with that [in the public schools] because these kids did not learn. She didn't bring any homework. I didn't see nothing. When I changed her to [the Catholic school], she was not used to the discipline, you know. You raise your hand, you listen, and she succeeded in doing that. I see a lot of change in my daughter, you know, when she comes in you should see her. She's outspoken, she likes to read, she likes to talk.... She's more caring. That's what I see in my daughter."

A father of a scholarship recipient described a similar experience:

> "Over there [at the private school my child now attends] they have a lot of discipline, you know. There everybody stands in line. But in a regular public school, everybody just walks around like anything....Nobody has any discipline."

Another mother is also pleased with the discipline in private schools. She observed the following:

> "[In public school the kids] are more wild. When I went to the school for a conference with the teacher, the kids were more wild. They were talking and everything. The teacher couldn't keep her eyes on the kids. There were a lot of kids in the classroom. Mainly there were a lot of kids in there. I think the teacher didn't have control. And I notice in [private school] when the teacher tells them to be quiet, they're all quiet. They don't make noise or anything....[The teacher] has better control and [the students] have better respect for the teacher."

Several parents reported significant changes in their children as a result of the safety and discipline maintained in private school. As one mother said:

> "He didn't want to go to a private school. He didn't want to wear the geeky uniforms.... He was not going to be one of them, you know. And he was at [school] two months and decided that he wants to go on to [private high school]....And he wants to go to the University of Michigan. You know, he wants that. It's what he wants. And I'm thinking to myself, he was not thinking this last year. Last year it was like, you know, I have to play around. I have to be this person that I am not so that the other kids won't pick on me."

b. Responsiveness, Commitment, and Communication

Parents generally believe that the private schools attended by their children are more responsive and more committed than the public schools. Parents were more inclined to complain about little or no communication, rather than about negative communication, from the public schools. Overall, they feel more "in touch" with private schools.

In terms of academics, parents believe that the teachers in public schools are simply not motivated to help the students. Numerous parents in several focus groups described public school teachers as not "caring." One mother of a scholarship student had this to say:

> "In a public school, it's like—I don't mean to say anything wrong about them 'cause not all of them are like that. Some of them just, they don't care."

Another mother echoed her words:

> "All the [public school] teachers are not bad, not all of them. But they don't have [the good teachers] much...they only have them for one class. And all the other ones, they're around the same children all the time, all the time, all the time. And some of them just don't care."

Still another mother said, "Some teachers listen; some don't care." Other parents observed that teachers are paid regardless of their commitment to students: "I think they need to weed out those teachers that are there just because it's a nice paycheck."

Parents of scholarship students feel differently about the teachers in private schools. One mother said, "The teachers [at the private school] are different also. The teachers are a lot different. From what I see they pay more attention to the kids." Another mother feels the same way: "There's good teachers, they motivate her, and she's done very well." A father observed that the private school teachers are quick to notify parents of difficulties: "What they do over there [in private school]...is they contact the parents quick. If they don't do their homework, they call. They call over there."

Parents of scholarship students also reported a difference between the attitudes of public and private schools toward families. They feel that public school officials are more likely to find fault with the family when there are difficulties with a child. According to one mother:

"They kept blaming...that it was in our families. Something is wrong with your family....They want to blame it on the family, all the time the family. They don't say maybe it's something we're doing here."

Another mother explained how a counselor questioned her parenting skills:

"They said there was something wrong with him; I was a bad parent....They had a counselor there tell me, 'Well how much time do you spend with him? It's not enough just to sit down for five minutes.' They said, 'You need to spend more time with your children...' And then she said that I treated my child like a piece of furniture and I just dusted him off....I was going to school this past year at night. I just finished. I thought they were just attacking me personally and telling me that I was doing a bad job. But my kids are fine. They're really well-adjusted children."

As noted, parents are more concerned about the absence of communication in the public schools than about negative communication—especially about issues related to school district operations and policy. For example, parents appear to have received little to no information about a recent school board election. When a group of Edgewood parents were asked if they followed the school board election, they all said no. When asked whether they knew that there had been an election, they all said no. When asked if they voted in school board elections, they all said no. Some parents in another focus group who had heard about the election talked about what they believe to be the futility of voting. One father said, "You have a little group. They aren't going to listen to just 20 people."

A mother of a scholarship student had the following to say about the lack of communication regarding the distribution of school funds in Edgewood:

"I've gone to other districts and I've seen, you know...the ones in the north side. As parents go into a meeting, like a PTA meeting, they go in and there's somebody at the door and they're giving them a sheet, these are the expenses and it's like an itemized statement. These are the expenses we have. And over here, you know, we don't hear nothing. Nothing we hear. Everything's, you know, quiet."

In contrast, parents of scholarship students feel that the private schools are responsive, committed, and communicative. Parents talked about being contacted by private schools and having conferences with teachers; they told us that the private schools offer individual tutoring when children are having difficulty. Although some of the students in private schools have had problems, the schools appear to have addressed those problems directly with the students rather than going through the family.

Interestingly, some of the private schools, while not formally governed by democratic processes, appear to seek parental involvement in decisions about school policy. One mother whose child attends a Catholic school on a scholarship told us that the board at that school, which consists of six members, holds meetings on school policy that are open to parents and in which parental input is sought. She also indicated that parents can select from at least two candidates per position in voting for board members. Perhaps most important, she believes that her vote matters: "People do care and they do have an opinion..."

According to the superintendent of Catholic schools in San Antonio, this mother was describing the "school council," a governing body that is part of all Catholic schools in the archdiocese. The council usually consists of some board members who are elected by the parents of schoolchildren, some who are elected by the parish, and some who are appointed by the parish priest. Although not all school councils are as active as the one described here, they do appear to govern schools democratically, even though they are not part of the public system.

c. Attention to Special Needs

Parents' reports about public and private schools meeting the requirements of children with special needs were mixed. Some parents reported that they had expected the private schools to have better services for special education. As one mother said, "I thought that since it is a

private school, that they had better facilities, and they would have the programs for the special education he needed." When she discovered that the school did not have a teacher for children with learning disabilities, she dropped the scholarship and returned her child to public school. Another parent said that she decided not to apply for a scholarship because she believed that the public school her child was attending had better special education services: "I don't think that the private schools have a lot of programs. The Edgewood district has a lot of programs for kids that need extra help."

Other parents, however, told us that their children, who were inappropriately evaluated as needing special services for learning disabilities in the public schools, are now excelling in regular classrooms in private school. What may be the overzealous diagnosing of learning disabilities in the public schools could be related to the fact that special education students are exempt from the Texas Assessment of Academic Skills (TAAS), which is the state achievement test. Students exempted from the TAAS are excluded from the school performance statistics on which schools are judged. Special education students also draw additional funding to a school district from the state. As one mother observed:

> "And if [the students] are not up to par, they put them in special ed. So that way they don't have to get tested....Our neighborhood—because I talk to the moms that live around there—all of them were in special ed. And if everybody's in special ed, then guess what? Nobody gets tested for TAAS."

Another mother said:

> "They were telling me that she had a learning disability and to take her [for testing]. And I took her; there was nothing wrong with my daughter....They asked me to take her 'cause they couldn't handle her."

And according to yet another parent:

> "My son, they wanted him to start taking Ritalin and they were stuck on the fact that he needs to be on Ritalin. And I said no....They were stuck on it, stuck on it, stuck on it.... She wanted him to take Ritalin because she couldn't handle [him]. I think that's wrong."

State records show that in Edgewood, 10.8 percent of students in 1999 were exempt from TAAS because of a learning disability.[18] The rate for the state as a whole in 1999 was 6.9 percent. However, it is beyond the scope of this study to determine whether the higher rate of learning disabilities in Edgewood is a product of the student population there or of differences across the state in diagnostic standards and procedures.

d. TAAS

TAAS, the Texas Assessment of Academic Skills, is the state accountability test. It is central to public education, according to the parents in our focus groups—too central, according to many. One Edgewood parent who also works for the school district said:

> "Their main concern was TAAS—I mean TAAS was everything they ever did, and my children were so bored of doing TAAS. That's all they did, and I know because I worked there and I saw what the teachers were teaching."

A parent from the Harlandale school district made a similar comment: "Right now they are concentrating so much on this TAAS test that...all my kids, they don't want to go to school because they're just repetitious about this." One mother reported that subjects not covered by TAAS are no longer being taught: "My son didn't have history for two years because history is not important." Another parent said the same about science, and still another feels strongly that

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[18] http://www.tea.state.tx.us/cgi/sas8/broker?_service=alamo&_program=perfrept.perfmast.sas&prgopt=1999/aeis/district.sas&year4=1999&search=distback&year2=99&topic=aeis&gifname=g_aeis99district&title=AEIS+Report&level=District&distback=015905

band was cut to focus on TAAS. As a father from Edgewood put it, "They're always pushing and pushing on [TAAS]. They leave everything else behind."

Some parents mentioned that TAAS results are not consistent with their children's other grades and test results. For example, one mother who received a CEO Horizon scholarship for her son said of his public school experience, "He failed all his classes, but he passed the TAAS test. So they were going to retain him because he failed all his classes, so then he passed the TAAS test and they said they couldn't retain him." Another child who did well on TAAS later took the Stanford standardized test upon transferring to a private school only to discover that he was reading well below grade level.

Parents of scholarship students are relieved that their children's private schools are not required to concentrate heavily on TAAS. One parent said that his child went from "being taught nothing [but] TAAS to all these subjects. Plus they're instilling Christian beliefs in them....They have bible study, they have music, everything. So it's just wonderful."

e. Values

Parents of children in both the public and private schools look to the schools to teach their children traditional values. One parent whose child is in public school observed:

> "One thing that could be done...[is] moving to some moral base teaching. It used to be naturally that it was inculcated into the school curriculum. Now it is amoral. The academic society is amoral....So there is a need to re-institute some strong moral teaching in the school system."

Parents are not particularly satisfied with the values taught in public school. One mother said, "The only thing that I object to what they teach is when they have had the planned parenthood people come in. I don't think these kids need to be taught how to use condoms."

For some parents, the religious instruction in private schools fills the values gap left by public schools. For the most part, however, religion, per se, appears to be secondary in parents' minds to academic success, safety, and discipline.

f. Transition to Private School

The reaction from parents about the transition to private school was mixed. For some children, the transition has been difficult. One mother said of her son, "He's lost....The school, the people, he doesn't know anybody and he's so shy." For other children, the transition was mild and short-lived. Of her daughter, one parent said, "She was honor roll ever since she started school with the public, but when she went into [private school], it was a little rough. And now she's doing great."

Many parents talked about tutoring and other special assistance offered by the private schools to ease the academic transition. Parents are also pleased that, despite these services, it does not appear that scholarship students have been stigmatized. One parent claimed that no one knows who is on scholarship: "I don't even think the teachers know who's on scholarship. I can tell you that Mrs. X...can't recognize who's on [scholarship]."

g. Overall Satisfaction

Most of the parents of scholarship students expressed strong, positive feelings about their child's private school experience. They also tended to be more negative about the public schools than were parents of children in public school. Although most parents with children in public school are relatively content with the school experience, they are not as enthusiastic about that experience as the parents of scholarship students are about private school. Nor do they tend to share the strong, negative feelings expressed about the public schools by parents of scholarship students.

One mother of a scholarship student summed up her family's experience this way: "Yes we are very thankful [for the scholarship], very thankful, very thankful. The attitudes of our children are different, so much different." Another mother made a similar comment:

> "But they were like always telling me that my son was bad [at his prior public school]. In this [private] school now he's in, he's a good student. He's very good. He's very polite. He's—I don't know—he's different. He's changed a lot."

Still another parent feels the same way:

> "I'm very happy. Before [when] my kids were attending public school, my son was pulling nothing but F's and D's, and I was getting nothing but everyday referrals—he's not listening and stuff. He had a lot of problems in reading. He reads kind of slow. But ever since he's attended [private school], he's bringing me nothing but A's and B's. I get no comments about him as far as behaviorwise. He's getting help as far as his reading, one-on-one...and also in math. So he is doing great. I am very happy."

One father sees the benefits of the scholarship program in more political terms: "[The scholarship program is] what we need, the Mexican people. We need for somebody to stand up." Even parents of scholarship students in the non-denominational Christian schools, some of which have "makeshift" facilities and inexperienced teachers, are highly satisfied—especially with the schools' open, enthusiastic, and personal environment.

A few parents, however, are not as happy with the private schools. One father said that he sees no real difference in the quality of the public and private schools. A mother sees the lack of sports as a drawback. Overall, however, the response to the program from parents has been very positive.

2. Effects on Education Practices and Student Achievement

Proponents of voucher programs like CEO Horizon hope that the competition fostered by the vouchers will stimulate improvements in educational practices and ultimately in student

achievement. Unlike the strong positive effects of the scholarship program on parent satisfaction, however, its effects on education practices and student achievement in the Edgewood public schools were negligible at best. After the first year of the program, there is little evidence that Edgewood made significant changes in broad education practices, such as changes in curriculum or teaching techniques, but it is possible that competition from the scholarship program worked on an individual level, motivating Edgewood teachers and administrators to do a better job using the practices already in place. If this were so, then we might expect to see gains in student achievement in the public schools. While we did observe such gains, comparable gains in other nearby school districts not hosting a voucher program suggest that factors other than the CEO Horizon program are responsible for the increase in student achievement in the Edgewood public schools.

If student achievement is measured by TAAS results, Edgewood public school students gained more ground in the first year of the program than the state as a whole and more than students in the nearby district of Harlandale, which is demographically similar to Edgewood. But comparable gains were achieved by students in South San Antonio and Laredo, two other nearby, demographically similar districts in which there is no voucher program. For instance, the percentage of students in Edgewood passing TAAS in all areas (reading, writing, and math) in all grades in which the tests were administered rose from 57.4 percent in 1998 (before the scholarship program began) to 70.2 percent in 1999.[19] This is an increase in the pass rate of 12.8 percentage points. Statewide, the percentage of students who passed the test rose from 73.1 percent to 78.3 percent over the same period, an increase in the pass rate of 5.2 percentage

[19]http://www.tea.state.tx.us/cgi/sas8/broker?_service=alamo&_program=perfrept.perfmast.sas&prgopt=1999/aeis/district.sas&year4=1999&search=distback&year2=99&topic=aeis&gifname=g_aeis99district&title=AEIS+Report&level=District&distback=015905

points. In Harlandale, the pass rate increased from 62.6 percent to 67.7 percent, an increase of 5.1 percentage points.[20] But the pass rate in South San Antonio, which had increased by 12.4 percentage points from 61.8 percent to 74.2 percent, was close to the Edgewood pass rate of 70.2 percent.[21] The same is true for Laredo, where the pass rate increased by 15.1 percentage points from 49.3 percent to 64.4 percent.[22]

Because the pass rate in school districts with and without a voucher program is similar, we cannot conclude that the gains in Edgewood are related to changes in teaching practices made by individual teachers in response to competition from the private schools. If anything, it appears that the gains may be related to broad, direct pressure to improve TAAS scores. Officials in Harlandale, South San Antonio, Laredo, and Edgewood reported that the only major change made in schools during 1998-99 was to focus more heavily on improving TAAS scores. Although as some of the parents' comments indicate, this tendency to "teach to the test" often was not endorsed by all in the districts for which we have pass rate data, the approach appears to have succeeded—at least as far as the test results are concerned.

3. Effects on School Policy and Operations

Although our interpretations are constrained by the study design and the limited access we had to school staff, it appears that the CEO Horizon program has not strongly affected school

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[20]http://www.tea.state.tx.us/cgi/sas8/broker?_service=alamo&prgopt=1999%2Faeis%2Fdistrict.sas&year4=1999&year2=99&topic=aeis&gifname=g_aeis99district&level=District&title=AEIS+Report&_program=perfrept.perfmast.sas&search=distname&namenum=Harlandale

[21]http://www.tea.state.tx.us/cgi/sas8/broker?_service=alamo&prgopt=1999%2Faeis%2Fdistrict.sas&year4=1999&year2=99&topic=aeis&gifname=g_aeis99district&level=District&title=AEIS+Report&_program=perfrept.perfmast.sas&search=distname&namenum=South+San+Antonio

[22]http://www.tea.state.tx.us/cgi/sas8/broker?_service=alamo&prgopt=1999%2Faeis%2Fdistrict.sas&year4=1999&year2=99&topic=aeis&gifname=g_aeis99district&level=District&title=AEIS+Report&_program=perfrept.perfmast.sas&search=distname&namenum=Laredo

policy or operations. During the 1998-99 school year, Edgewood made three changes in these areas: (1) it opened its doors to students living in other districts, (2) it began to require elementary school students to wear uniforms, and (3) it hired a management consulting firm to review its operations and make recommendations for improvement. However, the evidence suggests that only the first change is a direct result of the scholarship program. Evidence on the second change is mixed. The uniforms policy may simply have coincided with the program, since another nearby non-voucher school district also recently adopted a uniforms policy. The third change, hiring the consulting firm appears to be more closely connected with local political factors than with the scholarship program.

a. Accepting Students from Other Districts

Even before the scholarship program began, state law in Texas allowed students to attend public schools outside the district in which they live. However, most, but not all, school districts in San Antonio derive a large portion of their revenues on a per-pupil basis from the state. To protect themselves financially, the school districts had tacitly agreed not to "poach" each other's students. Although the scholarship program did not initially pose an immediate financial threat to Edgewood, it could eventually cut into revenues from the state should it continue to draw students away from the public schools. To offset this potential for loss, Edgewood chose to compete for students from other districts and thereby broke with the "cartel" of surrounding school districts.

While reliable counts of the number of students taking advantage of the new policy are not available, it appears that the number is very small, perhaps no more than a dozen. This increase in enrollment would not be enough to offset the loss of students to private schools through the CEO scholarships. However, the new policy may indicate that Edgewood is, in fact, responding

to competition from the private schools, although the "form" of that response may not be considered to be academically substantive.

b. Requiring Uniforms for Elementary School Students

A uniforms policy can be expensive in Texas because under state law, school districts must provide subsidies to low-income families to help them purchase uniforms. Given the predominance of poor families in Edgewood, the district would have to make a large number of subsidies available. Because of this financial concern, Edgewood had previously rejected the idea of uniforms if it required students to wear uniforms. Interestingly enough, the district reversed this decision and adopted a uniforms policy for elementary school students during the first year of the scholarship program. This change may suggest that Edgewood was responding to competition from the private schools, which typically require all students to wear uniforms, by appealing to parents' interest in a better school environment.

For instance, if students wear uniforms, fashion is no longer a means of being accepted by one's peers. Uniforms may thus contribute to a more comfortable, if not a safer, environment by taking the pressure off students to dress a certain way for fear of being teased or even physically intimidated. It might therefore be argued that, if students are more comfortable and less concerned with fashion, they might focus more on learning. However, there is no evidence to suggest that uniforms alone have these effects. Because Edgewood did not appear to make other policy changes designed to improve the school environment in terms of safety or other factors, the new uniforms policy may simply be a cosmetic appeal to the interests of parents. Although expensive in one sense, the policy may have been less costly and easier to adopt than other, more substantive improvements in the school environment that might encourage parents to keep their children in Edgewood public schools.

Regardless of whether the decision to require uniforms represents a meaningful policy change, it is not clear that the change was motivated by the scholarship program. The San Antonio Independent School District, the city's largest, also recently adopted a uniforms policy, but it did so in the absence of a scholarship program.

c. Hiring a Management Consulting Firm

The third change made by Edgewood in the 1998-99 school year was to hire a management consulting firm to review school district operations and make recommendations for changes.[23] In its report to Edgewood, the firm cited a lack of trust on the part of teachers and school-level administrators for the school board and senior administrators, and it recommended that efforts be made to foster greater trust. The firm also recommended closing a few campuses to save money. However, it is difficult to interpret the decision to hire the firm as a response to the scholarship program.

For instance, it is not clear that any of the firm's recommendations on cost-savings or other reforms were implemented. Moreover, we spoke confidentially with a few people who suggested that the decision to hire the firm was motivated by an interest on the part of Edgewood's political leaders to find grounds for dismissing the superintendent of schools. This possibility, along with other political factors that might explain Edgewood's generally weak response to the scholarship program, are discussed in the next section.

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[23]According to an official at the Children First America Foundation, the school board rejected two offers from the foundation to pay for the consulting firm's services. There are a range of possible reasons for declining the offer; however, we have no evidence that would suggest which of the reasons is most tenable.

D. DISCUSSION OF EDGEWOOD'S RESPONSE TO THE SCHOLARSHIP PROGRAM

The Edgewood experience to date suggests that voucher programs do not always lead to reform, at least in the short term. Despite a four percent loss in students to private schools, Edgewood has done little in the way of improving its schools to retain students. Of the changes that were made, only the decision to accept students from other school districts was clearly spurred by the scholarship program. The other changes, like gains in student achievement and adopting a uniforms policy for elementary school students, may have simply coincided with the program. Finally, there is some reason to believe that the hiring of a management consulting firm may have been a reflection not of Edgewood's interest in school reform, but of political tensions in the school board leadership. Together, this evidence suggests that the generally weak response to the scholarship program may be related to three factors: the economics of public education in general, the political context in Edgewood, and the interplay between that political context and preservation of the status quo. Although each of these factors could plausibly explain the districts' weak response to the scholarship program, it is impossible to be definitive, and these factors should be viewed as possible explanations.

1. Economics of Public Education

Voucher programs assume that the financial incentive to compete, which operates in a free market economy, also operates in education. That is, the loss of students to private schools and the consequent loss in per-pupil revenues is expected to create a financial incentive for local leaders to improve public schools in order to retain students and reduce the risk of financial loss. However, because public schools are assured of some level of funding from state and other sources, they are not as vulnerable as they might otherwise be to the financial pressure to compete with private schools. Absent the threat of a large financial loss, the effects of a voucher

program on public education are therefore likely to be weaker than what may have been envisioned by the designers and proponents of school choice policy. And to the extent that the threat of financial loss is not immediate, the effects of a voucher program may emerge later than anticipated.

In Edgewood, these general market dynamics have combined with local economic factors to undercut the financial incentive for Edgewood to respond to the scholarship program, at least in the short term. These factors include the structure of state funding in Texas and the availability of funding from the federal government and other sources.

State funding for school districts in Texas is based on the previous year's student count. Therefore, despite a 5.8 percent drop in public school enrollment (819 students) from 1997-98 to 1998-99, the first year of the program, Edgewood received funds in the 1998-99 academic year that were commensurate with its 1997-98 enrollment.[24] In addition, the state significantly increased its per-pupil expenditures over that period, which at least partially offset a decline in enrollment. Furthermore, federal and other sources of Edgewood's revenue also increased during that time. As a result, Edgewood's total revenue actually increased over the period by about $2 million, from $82,302,480 to $84,445,286. Finally, because of the drop in student enrollment, per-pupil revenues increased more dramatically over the period, from $5,820 to $6,188. Even in 1999-2000, when state funding will decrease to reflect the 1998-99 drop in enrollment, the school district will have $17,445,123 in its reserve balance to soften the blow. In addition to these economic forces, Edgewood has been awarded a few large grants (including a

[24]Approximately 300 of those students were lost because their families moved when housing projects in the district closed, while as many as 500 students were lost to the scholarship program. The balance is accounted for by the steady and typical out-migration of families from the district over time.

federally funded bilingual education demonstration project), which have further diminished the financial incentive to compete with private schools.

No doubt Edgewood will eventually experience financial losses relative to the amount it would have generated in the absence of the scholarship program, but it may not lose much in absolute terms. It is still too early to tell if or when that eventual loss will spur Edgewood to make more substantive reforms. In the near term, however, there is reason to believe that Edgewood's response to the scholarship program will remain much the same as it was in the first year of the program.

2. Edgewood's Political Context Favorable to the Status Quo

In addition to the economics of public education, Edgewood's political context may have dampened potential effects of the scholarship program by circumstances that were favorable to maintaining the status quo in the district. Two key factors intertwine to define Edgewood's political context: (1) a political culture modeled on a form of governance resembling old style, urban machine politics that links the local economy and the school district and (2) a superintendent under continued political pressure reporting to a school board paralyzed by factions. We describe these factors in somewhat greater detail to buttress our contention that, when combined, they fostered a climate in which there was little political capital for Edgewood's adoption of substantial educational reforms in response to the presence of the scholarship program.

a. Edgewood's Political Culture

Edgewood's political culture can be likened to a model of governance that political scientists often refer to as machine politics. In this model, a few individuals who have gained influence in the community—usually through ties to business or public entities—select candidates for public

office and secure campaign support for them.[25] Once elected, the officials maintain the support of these influential sponsors by soliciting their guidance in the decisions they make. In the case of public entities such as school boards, elected officials are likely to seek guidance on decisions that extend from setting school policy, to hiring school personnel, to contracting with firms for public projects. In turn, community members who benefit from these decisions provide campaign support in the way of money, staff, and votes for the candidates' re-election. This reciprocal system allows the community influentials and elected officials to achieve two highly valued objectives—to maintain both control and influence in a community. The machine model of governance can benefit the community when its own interests align with the best interests of the community. It can also interfere with achieving the broader public good when the interests of those in control do not coincide with the long-term interest of members of the community. Arguably, self-preservation is a powerful pressure on individuals dominating the machine. Generally speaking, influentials' buy-in to major decisions is critical in such systems, and decisions that require an unclear redirection of resources and benefits are likely to encounter limited enthusiasm.

Edgewood politics have been dominated by a culture reminiscent of that described above since 1976.[26] According to conversations we had with current and former school board members and with some school district employees, Edgewood's political culture has been shaped by two highly influential individuals—both of whom are former school board members. One now is a lawyer in a firm that represents Edgewood and other area school districts. The other is the state director of a national foundation specializing in public housing and other types of inner-city real

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[25]The common term applied to such influential parties in urban settings is "bosses."

[26]Balli, Cecilia, "District Feels Like a Family Divided," *San Antonio Express-News*, May 28, 2000, p. 1B.

estate developments, which depend for their subsidies on favorable treatment from government and school district agencies. Our interviews also indicate that the school board is an important part of Edgewood's political culture. As reported by one school board member, one of the two Edgewood influentials "controlled the finances for all of the [1998 school board] elections....In fact, his candidates still don't know who gave them money and where it came from and how it came."[27] There is also a noteworthy economic tie between the Edgewood school system and the law firm where one of the political influentials now works. An open-records request revealed that Edgewood paid the law firm over $400,000, or about $28 per student, for legal services during the 1997-98 school year.[28] By comparison, a nearby school district paid about $7 per student for legal services during that same time.[29] Of course, to make such a comparison we must assume that similar legal challenges were faced in these school districts.

The Edgewood school system is an important contributor to maintaining the long-existing political culture and the economics of the community. The school system's revenues, 90 percent of which are externally generated from state and federal sources, contribute to the survival of the political culture by giving the political influentials access, through the school board, to resources for jobs, which in turn, often translate into political support. Furthermore, as a rough upper bound estimate, about 14 percent of total income earned in Edgewood in 1993-94 may have been generated by the school district, and as many as 10 percent of working people in Edgewood may

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[27]Interview with Frederick Hess, February 20, 1999.

[28]http://www.tea.state.tx.us/cgi/broker?_service=hogg&_program=perfrept.perfmast.sas&prgopt=1998/aeisdistrict.sas&year4=1998&search=distback&year2=98&topic=aeis&gifname=g_aeis98district

[29]Legal expenses for East Central School District were obtained under an open records request.

have been employed by the district. For comparison, the total amount spent on education in Texas in the same period contributed only 8 percent of all income earned statewide.[30]

While it is unclear how jobs for Edgewood residents might have been affected in the short-term by the institution of a major reform program, it is conceivable that the political culture dominating the district perceived little political gain from such a move. Keeping the situation as it has been in the past appears to have offered a safer, short-term course of action in terms of preserving the political system's capital.

b. School Superintendent under Political Fire and a Fragmented School Board

Throughout the 1990s, the Edgewood superintendent of schools operated in a contentious atmosphere, attempting to walk a viable path between garnering support from a divided school board and positions that ran afoul of the district's political influentials. Several incidents illustrate the pressures that threatened the superintendent's continued leadership position in the district and limited her ability and that of the school board to mount bold educational reform measures designed to respond to the children's poor achievement results. In the early 1990s, one of the first incidents emerged when the superintendent sought to introduce neutral procedures for selecting contractors and for hiring non-teaching district personnel. The school board began to

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[30]These are rough estimates, and they are based on the assumption that all non-instructional spending in 1993-94 ($46.1 million of a total of $89.6 million) remained in the district and that instructional spending did not. This is because teachers and administrators overwhelmingly live outside the district. Our assumption somewhat overstates the total money staying in the district, since some non-instructional spending is directed toward the purchase of books and supplies. These estimates also rely on the best available data about total income, 1990 census information, which show total income earned by Edgewood residents in 1990 as $329.9 million. Estimates of the percentage of working people in Edgewood employed by the district are based on 1990 census data on employed persons in Edgewood and on the Texas Education Agency's reports of the school district's number of employed full-time, non-teaching staff. We adjusted these numbers to include part-time school district employees and to reduce the count of total employed Edgewood residents whose jobs were eliminated by the closure of Kelly Air Force Base, the area's largest source of employment.

follow these procedures, resulting in a 1993 decision to hire an architect not politically aligned with the two political influentials. This decision appears to have represented both a breach in the reciprocal expectations that the influentials held for candidates they had helped elect to the board and a threat to the security of the existing political culture.

A second incident arose in 1996, when the superintendent with the support of four board members sought to close Edgewood's oldest and most poorly maintained high school as a means of addressing declining enrollments. This decision drew fire from much of the community and from one of the political influentials, who had graduated from this school. In apparent retaliation against members of the board who supported the superintendent and who this individual had previously helped to elect, closure of Edgewood High School became the defining issue of the 1998 school board elections through the influential's support of a slate of four new candidates to the board. The new slate was victorious in the election. Ironically, the other influential supported the slate of four defeated incumbents on the board, signifying a likely split in the political "machine's" locus of control.

By late 1999, a weakened school board superintendent and a splintered board were evident. One day after the 1998 board elections, the superintendent found a bus schedule of travel times to her original hometown surreptitiously placed on her desk—an event she interpreted as suggesting that she should leave the district.[31] This strategically placed bus schedule may have been but another manifestation of opposition from members of the board who had hopes that by hiring a management consulting firm, a development described earlier in this report, grounds for dismissing the superintendent might emerge. In fact, the firm's report provided no grounds for dismissal. Nevertheless, by September 1999, the superintendent chose to leave the increasingly

[31]Confidential interview with Jay P. Greene and Rodolofo de la Garza.

precarious post in Edgewood, assuming a lower paid but similar position in a smaller school district.[32] During this time, the board appears to have split into three factions: two members who supported the superintendent's closure of the high school but who were not up for re-election, some members of the 1998 slate who strayed from the influence of their influential sponsor in the community, and others who have remained aligned with Edgewood's influentials.

The net result of these events was paralysis in terms of the superintendent's and the board's ability to respond to the challenges introduced by the scholarship program. The superintendent was not likely to advocate bold education reforms for fear of arousing opposition in the community and giving the board an opportunity to remove her without a severance package before her contract expired. In addition, the board was preoccupied with pressures to remove the superintendent and with contentiousness within the political culture. Finally, board factions that emerged after the 1998 election left it without a clear majority to spearhead substantial reforms in the delivery of educational services within Edgewood schools.

E. CONCLUSIONS AND LESSONS FROM THE EDGEWOOD EXPERIENCE

The absence of a strong financial incentive to compete with other schools clearly shaped Edgewood's response to the scholarship program. That response was also shaped by the district's political dynamics. Regardless of whether those dynamics involved the absence of a political incentive to change, a fragmented leadership's inability to make changes, or both, the result is the same. The Edgewood public schools could conceivably continue to lose students to private schools until (1) the financial effects of that exodus deplete the capital that supports the

[32]Cisneros-Lunsford, "Munoz Leaving District; Edgewood Chief Gains New Position," *San Antonio Express-News*, September 10, 1999, p. 1B.

school district and its leadership's activities, (2) that leadership feels some political or public pressure to change, or (3) a new leadership emerges.

We can be reasonably certain that Edgewood will feel strong financial pressure to reform its schools in the near term. And while the seeds of political change appear to be emerging, it is difficult to say if and when they will flourish. By the time the May 2000 school board elections were held, the *San Antonio Express-News* had begun to publish articles on alleged "power brokering" in Edgewood and the problems related to the dominance of school board elections by people who may have a financial relationship with the district.[33] On the same day, the paper endorsed a slate of candidates opposed to the political status quo.[34] Although the slate lost, the press pursued the matter. One month after the election, the paper asserted that the Edgewood political influentials had been involved in recruiting all of the current and previous school board members, in helping to finance and direct their campaigns, and in influencing the members' key votes, especially on personnel issues.[35] Arguably, these assertions from the media could spur political change, depending on how the public, the business community, the media and/or Edgewood's political leaders respond to it. However, it is still too early to tell whether such a response will emerge and what form it will take if it does.

Despite this uncertainty, the Edgewood experience offers three key lessons about the effects of voucher programs at the school level.

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[33]Davidson, Bruce, "Escamilla and Power Brokering Top Issues in the Edgewood District," *San Antonio Express-News*, April 27, 2000, p. 5B

[34]"Edgewood Majority at Stake in Election," *San Antonio Express-News*, April 27, 2000.

[35]Balli, Cecilia, "District Feels Like a Family Divided, *San Antonio News-Express*, May 28, 2000, p. 1B.

- Change in public education in response to the introduction of vouchers will be slow and difficult, at least initially.
- The ability of voucher programs to bring about school reform involves not only the financial incentives through which these programs are designed to work, but also the economic dynamics and political incentives that operate in the communities that host the programs.
- Future research should carefully consider the economic and political context in evaluating the effects of school choice.

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